



Development Corporation

Annual Report

Year Ending
December 31, 2003



Department of Tourism
and State Development

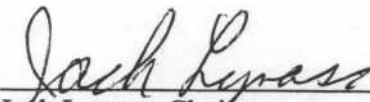
Governors Office of Economic Development

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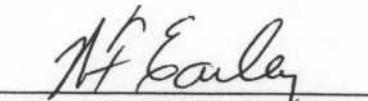
INTRODUCTION

This report summarizes the activities of the South Dakota Development Corporation, including MicroLOAN South Dakota, and the entities to which this corporation serves as an advisory board for the year ending December 31, 2003. The Economic Development Operating, Financial, and Employment Impact reports enclosed herein accurately reflect the business activities and condition of this corporation.

Respectfully submitted,



Jack Lynass, Chairman



William F. Earley, Secretary

PROFESSIONAL STAFF

The Division of Finance and Incentives within Tourism and State Development packages, processes and services the loans of the South Dakota Development Corporation.

The staff listed below work on both SBA 504 related projects and other TSD projects and programs. Staff spends approximately 20% of their time related to 504 specific projects and the remainder on other TSD related programs.

The percentages of time below specifically represent time spent on 504 projects.

Members of Tourism and State Development finance staff during fiscal year 2003 included the following individuals:

Mardell Davis - Acting Secretary/Executive Director
Management - 100%

Tina M. Van Camp - Director of Finance & Incentives
Management - 50%
Marketing - 25%
Liquidation - 25%

John Schramm - Loan Officer/SBA 504 Specialist
Marketing - 40%
Packaging - 25%
Processing - 25%
Closing - 10%

Mike Bietz - Loan Officer (resigned)

Charlie VanGerpen - Loan Officer, MicroLOAN Program/Value Added Tourism Subfund

LaJena Howard - Loan Servicing Agent
Packaging - 20%
Closing - 20%
Servicing - 60%

Changes in staff since December 31, 2003: Kelly
Rasmussen - Ag Development Specialist
Nicole Aarestad - Loan Officer

EXHIBIT B: BOARD MEETINGS

March 24, 2003

Six SDDC board of directors and five staff members were present.

Jack Lynass - Financial/Community

Dave Munson - Government/Community

Fred Romkema - Business/Community

Doug Knust - Business

Bud Weisser - Community

Steve Schatz - Business

No loans were approved.

May 28, 2003 (Annual Meeting)

Nine SDDC board members and six staff members were present.

Jack Lynass - Financial/Community Dave

Munson - Government/Community Fred

Romkema - Business Virginia Dettman -

Business William Earley - Financial Merlin

Jeitz - Business Robert Miller -

Government Paul Ness - Community Joel

Rosenthal - Business

B & R Feeds

A motion was made by Fred Romkema and seconded by Dave Munson to approve an SBA 504 debenture to B & R Feeds, in the amount of \$96,000. Motion prevailed by unanimous voice vote.

August 28, 2003

Five SDDC board of directors and four staff members were present.

Jack Lynass - Financial/Community

Fred Romkema - Business

William Earley - Financial

Doug Knust - Business

Robert Miller - Government

Buryanek Bay Bunkhouse, LLC

A motion was made by William Earley and seconded by Fred Romkema to approve an SBA 504 debenture to Buryanek Bay Bunkhouse, LLC, in the amount of \$83,000. Motion prevailed by unanimous voice vote.

December 17, 2003

Four SDDC board of directors and five staff members were present. Fred

Romkema - Business

William Earley - Financial

Doug Knust - Business

Robert Miller - Government

CustomView Windows, Inc.

A motion was made by William Earley and seconded by Fred Romkema to approve an SBA 504 debenture to CustomView Windows, Inc. in the amount of \$408,120. Motion prevailed by unanimous voice vote.

EXHIBIT C: LEGAL CERTIFICATIONS

No changes were made to the Articles of Incorporation or By-Laws during calendar year 2003.

The membership, board of directors and any loan committees are in compliance with SBA regulations governing CDCs.

As of calendar year 2003, the South Dakota Development Corporation is not involved with any legal proceedings as either plaintiff or defendant.

William F. Earley, Secretary

CONTRACTS

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is by and between the South Dakota Development Corporation ("SDDC") and the Department of Tourism and State Development ("TSD").

RECITALS

The parties recite that TSD is an agency of the State of South Dakota and is involved in promoting economic development for the State of South Dakota. Pursuant to SDCL 1-33-18 and 19 the State "shall forge a private-public partnership..... to create jobs that results in the creation of new wealth." The parties agree that TSD will perform the following services for the SDDC, including but not limited to, the terms and conditions set forth in this memorandum as being within the duties of the Executive Director of the SDDC.

AGREEMENT

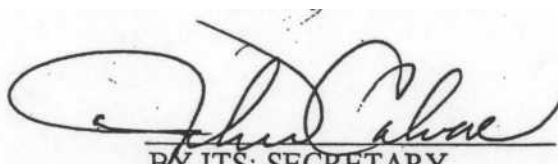
1. TSD will provide the necessary staff to market, package and close 504 loans as required by the U.S. SBA and, will assist the SDDC in the monitoring and administration of the 503/504 loans.
2. TSD will, out of its revenues and the revenues of the SDDC bear all the expenses and cost of performing the obligations of this agreement. Any special expenses can be shared by agreement of the parties.
3. It is agreed that all ledgers, lists, programs and managerial - information which are prepared as part of the functions of the SDDC shall be and remain the sole property. of the SDDC. All evaluations herein by TSD shall be at the sole discretion of the SDDC.
4. The TSD staff will prepare a quarterly and annual financial _ statement for the SDDC and will submit the SBA on a annual basis a reviewed report conducted by Legislative Audit.

Dated effective the 30 day of May, 2003.

South Dakota Development Corporation

Department of Tourism and State
Development.


BY ITS: CHAIRMAN


BY ITS: SECRETARY

SOUTH DAKOTA DEVELOPMENT CORPORATION

FINANCIAL REPORT
(Reviewed)

DECEMBER 31, 2003 and 2002



State of South Dakota
Department of Legislative Audit
427 South Chapelle
c/o 500 East Capitol
Pierre, SD 57501-5070

SOUTH DAKOTA DEVELOPMENT CORPORATION

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
South Dakota Development Corporation
Pierre, SD 57501

We have reviewed the accompanying statement of assets, liabilities and fund cash balance of the South Dakota Development Corporation as of December 31, 2003 and 2002, and the related statement of revenue collected, expenses paid and changes in fund cash balance for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the South Dakota Development Corporation.

A review consists principally of inquiries of the South Dakota Development Corporation's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 1, these financial statements were prepared using the modified cash basis of receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the comprehensive basis of accounting stated above.

The accompanying supplementary information of the MicroLOAN South Dakota Program is presented for purposes of additional information, and is not a required part of the financial statements of the South Dakota Development Corporation. Such information has been subjected to the review procedures referred to in the second paragraph.

Martin L. Guindon, CPA
Auditor General

March 2, 2004

South Dakota Development Corporation
Statement of Assets, Liabilities and Fund Cash Balance

See Accountant's Review Report

	South Dakota Development Corporation December 31	
	2003	2002
Assets:		
Cash	\$ 126,793	\$ 131,871
Certificates of Deposit	295,025	324,162
Loans Receivable	789,146	1,017,513
Equipment, Net. of Depreciation	4,833	0
Total Assets	1,215,797	\$ 1,473,546
Liabilities:		
Loans Payable	\$ 789,146	\$ 1,017,513
Fund Cash Balance	426,651	456,033
Total Liabilities and Fund Cash Balance	1,215,797	\$ 1,473,546

The notes to the financial statements are an integral part of this statement.

South Dakota Development Corporation .
Statement of Revenue Collected, Expenses Paid and Changes in Fund Cash Balance

See Accountant's Review Report

	South Dakota Development Corporation Years Ended December 31,	
	2003	2002
Revenues:		
Processing Fees	\$ 29,541	\$ 6,174
Origination Fees	1,435	2,527
Servicing Fees	39,665	42,487
504 Escrow Interest Interest	1,436	2,235
Income and Other Interest	12,120	32,010
Earned on CD Grant	41,304	44,378
Refund of Prior Year's Expense	.0	1,000,000
Total Revenue	25,989	0
Expenses:	151,490	1,129,811
Legal and Accounting		
Training Expense		
Depreciation Expense		
Board Travel and Fees	27,333	2,542
Dues	7,856	5,769
Bank Fees	967	0
Interest Expense	3,662	2,276
Printing/GOED Conference	850	1,850
Bad Bebt	1,000	1,750
Miscellaneous .	30,978	34,692
Grant	938	1,429
Governor's Office of Economic Development (GOED) Hostings	19,170	0
Total Expenses	71,496	98,922
Excess of Revenues Over Expenses	0	1,000,000
Fund Cash Balance, Beginning	16,622	15,101
Fund Cash Balance, Ending	180,872	1,164,331
	(29,382)	(34,520)
	456,033	490,553
	\$ 426,651	\$ 456,033

The notes to the financial statements are an integral part of this statement.

SOUTH DAKOTA DEVELOPMENT CORPORATION NOTES TO THE FINANCIAL STATEMENTS

See Accountant's Review Report

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The South Dakota Development Corporation is organized to further the economic development and social welfare of the State of South Dakota with special emphasis on promoting and assisting the growth and development of business concerns in South Dakota, including small business. The South Dakota Development Corporation functions as an administrator to assist in making and servicing Small Business Administration (SBA) 504 loans. The objective is to financially assist business start-ups, relocations and expansions. These objectives are accomplished through the SBA 504 loan program. The SBA 504 program provides loans to for-profit businesses that are engaged in the manufacturing, distributing, retail and service industries. The project must, according to SBA guidelines, promote economic development. The South Dakota Development Corporation is exempt from income taxes under Section 501 (c)(6) of the Internal Revenue Code.

A loan agreement was entered into between the South Dakota Development Corporation and Citibank (South Dakota), N.A. on March 11, 1999. The loan from Citibank (South Dakota), N.A. was to be used to implement the MicroLOAN South Dakota program. The MicroLOAN South Dakota program is a part of the South Dakota Development Corporation and is reported that . . way on the financial statements. The MicroLOAN South Dakota program is reported separately as supplemental information to comply with the Citibank (South Dakota), N.A. loan agreement.

The MicroLOAN South Dakota program was established to provide low interest, gap financing for small businesses for which other types. of financing might not be available. The MicroLOAN South Dakota program operates in conjunction with a bank (Originating Bank) that has agreed to provide financing for the applicant's project. As such, the Originating Bank should assist the applicant in preparing the application for filing with the Department of Tourism and State Development. Financing is accomplished by the Originating Bank making two loans to the applicant, one which conforms to the MicroLOAN South Dakota criteria, the other companion loan must be for at least 50% of the project cost. The Originating Bank will use its loan documents in making the loans and will be responsible for closing and servicing the loans. After closing, the South Dakota Development Corporation will purchase the loan which conforms to the MicroLOAN South Dakota program.

A summary of the South Dakota Development Corporation's significant accounting policies are as follows:

Method of Accounting: The financial statements of the South Dakota Development Corporation have been prepared on the modified cash basis method of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized when received and expenses are recognized when paid except for capital assets with a cost of \$1,000 or greater which are depreciated over their useful life using the straight line method; therefore, the accompanying financial statements do not present financial position or operation results in accordance with accounting principles generally accepted in the United States of America.

See Accountant's Review Report

Cash: The cash account is made up of the following:

	2003	2002
South Dakota Development Corporation Cash Account		
MicroLOAN South Dakota Citibank (South Dakota) N.A. Account	\$ 16,134	\$ 6,665
MicroLOAN South Dakota Interest Account	1	0
MicroLOAN South Dakota Reserve Account	32,116	30,187
	78542	95 019
Total	\$126,793	\$131.871

Loans Receivable: The loans receivable balance does not take into account the allowance for doubtful accounts. \$1,000 of this account is due from the MicroLOAN South Dakota program for setup costs in 2003 and 2002.

Equipment: Equipment is stated at cost. Depreciation is computed on the straight-line method over the estimated lives of the assets.

Loans Payable: This account consists of \$788,146 for 2003 and \$1,016,513 for 2002 of funds received from Citibank (South Dakota) N.A. to implement the MicroLOAN South Dakota program.

Grant Revenue: In 2002, this account consisted of a \$1,000,000 grant given to the South Dakota Development Corporation from the state of South Dakota's Future Fund for the specific purpose of purchasing a specified building. This building was then granted to a third party to further economic development in the area. The granting of the building to the third party was recorded as a grant expense on the financial statements. This transaction was not completed at an arm's length with the state of South Dakota.

South Dakota Development Corporation
Statement of Assets, Liabilities and Fund Cash Balance

See Accountant's Review Report

	MicroLOAN South Dakota December 31,	
	2003	2002
Assets:		
Cash	\$ 110,659	\$ 125,206
Loans Receivable	788,146	1,016,513
	<u>\$ 898,805</u>	<u>1,141,719</u>
Liabilities:		
Loans Payable	\$ 789,146	\$ 1,017,513
Fund Cash Balance	109,659	124,206
Total Liabilities and Fund Cash Balance	<u>898,805</u>	<u>\$ 1,141,719</u>

The notes to the financial statements are an integral part of this statement.

South Dakota Development Corporation
Statement of Revenue Collected, Expenses Paid and Changes in Fund Cash Balance

See Accountant's Review Report

	MicroLOAN South Dakota Years Ended December 31,	
	2003	2002
Revenues:		
Origination Fees	\$ 1,435	\$ 2,527
Interest Income and Other	4,398	30,035
Interest Earned an CD	34,153	31,917
Total Revenues	39,986	64,479
Expenses:		
Board Travel and Fees		
Bank Fees	1,132	0
Interest Expense	1,000	1,000
Printing Expense Bad	30,977	847
Debt Expense	77	34,692
Miscellaneous Expense	19,170	0
Total Expenses	2,177	0
Excess of Revenues Over Expenses	54,533	36,539
Fund Cash Balance, Beginning .	(14,547)	27,940
Fund Cash Balance, Ending	124,206	96,266
	\$ 109,659	\$ 124,206

The notes to the financial statements are an integral part of this statement.

ANALYSIS OF 503/504 EMPLOYMENT IMPACT
EXHIBIT A: Debentures Funded Less than Two Years

<u>Debentures Funded Less Than 2 Years</u>			<u>Projected Job Creation</u>		
SBA Loan No.	Date Funded	504 Debenture Approval Amount	Created	Retained	Total
4178744000	12/11/2002	\$ 493,000.00	29.5	0	29.5
4340444003	4/16/2003	\$ 185,000.00	4.0	0	4.0
5879374004	5/14/2003	\$ 403,000.00	15.0	0	15.0
4687124000	7/16/2003	\$ 948,000.00	47.0	0	47.0
5389644010	10/15/2003	\$ 338,000.00	12.0	0	12.0
Totals:	5 loans	\$2,367,000.00	107.5		107.5

ANALYSIS OF 503/504 EMPLOYMENT IMPACT
EXHIBIT B: Debentures Funded Two or More Years

Debentures Funded 2 or More Years

Actual Job Creation Section

SBA Loan No.	Date Funded	504 Deb. Approval Amount	Date Verified	Created	Retained	Total	Difference bet. Estimate and Actual	Public Policy Loan?
2564773001	6/8/1988	\$249,000.00	3/27/2003	31.00	0	31.00	11.00	N
2854784009	7/14/1999	\$199,500.00	3/27/2003	4.25	0	4.25	0.00	Y
6511003009	1/11/1995	\$450,000.00	3/27/2003	7.75	0	7.75	1.50	N
5240073000	12/16/1992	\$420,000.00	3/27/2003	82.00	0	82.00	84.50	N
5429323007	7/14/1993	\$350,000.00	3/27/2003	29.50	0	29.50	8.00	N
5369763007	10/13/1993	\$970,000.00	3/27/2003	55.50	0	55.50	32.50	Y
7841583000	12/14/1994	\$475,000.00	3/27/2003	41.50	0	41.50	25.50	N
9217473002	10/16/1996	\$623,000.00	3/27/2003	18.00	0	18.00	4.00	Y
3079494008	2/16/2000	\$410,000.00	3/27/2003	6.50	0	6.50	2.25	N
6998073009	1/11/1995	\$105,000.00	3/27/2003	4.00	0	4.00	0.25	N
4273563007	3/13/1991	\$554,800.00	3/27/2003	-12.00	0	-12.00	14.50	Y
2528693004	1/12/1997	\$225,640.00	3/27/2003	69.50	0	69.50	0.00	N
3764673005	3/19/1990	\$99,640.00	3/27/2003	16.50	0	16.50	9.50	N
7997713003	9/11/1996	\$175,000.00	3/27/2003	6.00	0	6.00	1.50	Y
7702553007	6/12/1996	\$235,000.00	3/27/2003	-9.25	0	-9.25	-20.75	N
5662953004	2/16/1994	\$240,000.00	3/27/2003	8.25	0	8.25	2.25	Y
8128863005	7/12/1995	\$900,000.00	3/27/2003	262.00	0	262.00	178.75	N
4960543003	3/17/1993	\$425,000.00	3/27/2003	30.00	0	30.00	11.00	N
3078724003	1/12/2000	\$560,000.00	3/27/2003	6.75	0	6.75	1.00	N
2528593009	10/2/1996	\$52,000.00	3/27/2003	21.00	0	21.00	18.00	N
7211863001	4/12/1995	\$172,000.00	3/27/2003	-1.00	0	-1.00	-6.00	N
3560384006	1/17/2001	\$561,000	3/15/2004	14.00	0	14.00	0.00	
Totals: 22 Loans		\$8,451,580.00		691.75		691.75	379.25	

ANALYSIS OF 503/504 EMPLOYMENT IMPACT
EXHIBIT C: Summary of Job Creation and Debenture Dollars/Job

Summary Section

Estimated Jobs From Debentures Funded 2 Years or Less	107.50
Actual Jobs From Debentures Funded 2 or More Years Total	691.75
Jobs Created To Date	<hr/> 799.25
Sum of Debentures Funded 2 Years or Less	\$2,367,000
Sum of Debentures Funded 2 Years or More	\$7,890,580
Sum of Debentures Funded	<hr/> \$10,257,580
Job Creation Average Calculation	<hr/> \$12834

SOUTH DAKOTA DEVELOPMENT CORPORATION
PORTFOLIO SUMMARY

Loan Activity

January 1984 - December 2003

Company	Total Loan Amount	Loan Balance	Total Project Amount	Projected FTE Jobs	Community
1984					
Coleman-Frizzell, Inc.**	\$ 64,400	\$ 0	\$ 160,400	78.50	Rapid City
Hot Springs Investment Co.***	\$ 330,000	\$ 0	\$ 981,180	25.00	Hot Springs
Peterson Sign Art**	\$ 50,000	\$ 0	\$ 125,000	4.00	Rapid City
Thomas H. Olson, M.D.**	\$ 160,000	\$ 0	\$ 400,000	2.50	Vermillion
1985					
Wilbrecht Electronics, Inc.**	\$ 244,000	\$ 0	\$ 610,000	42.00	Huron
1986					
Alvold Polk	\$ 249,000	\$105,518	\$ 731,000	20.00	Lake Preston
Lewis Truck Lines, Inc. I	\$ 126,000	\$ 71,749	\$ 315,000	20.00	Sioux Falls
Rapid Packaging Co., Inc.**	\$ 249,600	\$ 0	\$ 650,020	17.00	Rapid City
Windows, Inc.	\$ 52,000	\$ 14,025	\$ 130,000	3.00	De Smet
1987					
Greenway, Inc.**	\$ 286,000	\$ 0	\$ 715,000	20.00	Sioux Falls
PPD (USA), Inc. I	\$ 120,000	\$ 0	\$ 1,153,100	10.00	Madison
1988					
- None -					
1989					
Comfort Inn**	\$ 160,000	\$ 0	\$ 700,000	14.00	Oacoma
Lewis Truck Lines, Inc. II	\$ 99,640	\$ 55,035	\$ 249,100	7.00	Watertown
1990					
Dakotamart of Pierre, Inc.	\$ 560,000	\$ 0	\$ 1,400,000	26.00	Pierre
Leonard Lewis Healthcare	\$ 554,800	\$326,835	\$ 1,400,200	24.00	Lake Preston
Willie's Auto Repair, Inc.**	\$ 89,400	\$ 0	\$ 232,380	6.00	Sioux Falls
1991					
Angus Industries, Inc.**	\$ 150,000	\$ 0	\$ 1,585,000	69.00	Watertown
Parkway Professional Center*	\$ 538,000	\$ 0	\$ 1,333,080	14.00	Sioux Falls

Company	Total Loan Amount	Loan Balance	Total Project Amount	Projected FTE Jobs	Community
1992					
Brandon Supermarket, Inc.	\$ 420,000	\$ 0	\$ 1,050,000	16.00	Brandon
Bucks of Sioux Falls, Inc.	\$ 350,000	\$229,314	\$ 1,026,000	35.50	Sioux Falls
CMI Architectural Inc.*	\$ 50,000	\$ 0	\$ 1,150,000	20.50	De Smet
Davisco International, Inc.	\$ 970,000	\$ 0	\$ 9,280,000	25.00	Lake Norden
GAP Development, Inc.*	\$ 518,600	\$ 0	\$ 1,296,600	37.00	Rapid City
Maguire Tank, Inc.**	\$ 540,000	\$ 0	\$ 1,350,000	31.00	Sioux Falls
OEM Worldwide, Inc.**	\$ 500,000	\$ 0	\$ 3,050,000	34.00	Watertown
Tenth Street, Inc.	\$ 425,000	\$272,845	\$ 1,040,000	31.50	Sioux Falls
1993					
Bierschbach Equip. & Supply	\$ 450,000	\$346,472	\$ 1,200,000	10.00	Sioux Falls
Chamberlain Printing, Inc.*	\$ 100,000	\$ 0	\$ 275,000	1.00	Chamberlain
Enviro Safe Air, Inc.*	\$ 120,000	\$ 0	\$ 300,000	25.00	N. Sioux City
GBW, Inc. d/b/a Peterbilt*	\$ 423,000	\$ 0	\$ 2,107,000	18.00	Sioux Falls
GeoTek Engineering, Inc.*	\$ 250,000	\$ 0	\$ 1,500,000	6.00	Sioux Falls
Plankinton Super 8 Motel	\$ 240,000	\$165,244	\$ 636,400	10.00	Plankinton
PPD (USA), Inc. H**	\$ 226,000	\$ 0	\$ 645,600	8.50	Madison
Siouxland Surgery Center*	\$ 970,000	\$ 0	\$ 6,470,000	45.00	N. Sioux City
1994					
Hartford Supermarket, Inc.	\$ 475,000	\$ 0	\$ 1,750,000	34.50	Hartford
Labelcrafters of SD, Inc.	\$ 105,000	\$ 16,808	\$ 265,000	4.00	Sioux Falls
Mid River Pork, L.L.C.	\$ 175,000	\$144,131	\$ 2,872,596	5.00	Corsica
Palace City Development LLC**	\$ 480,000	\$ 0	\$ 1,450,000	58.50	Mitchell
Phoenix Crystals, Inc.	\$ 235,000	\$190,498	\$ 608,580	11.00	Sioux Falls
PPD (USA), Inc. III**	\$ 114,000	\$ 0	\$ 316,000	3.00	Madison
PPD (USA), Inc. IV**	\$ 95,000	\$ 0	\$ 322,600	3.00	Madison
Rainbow Play Systems, Inc.	\$ 900,000	\$689,436	\$ 2,954,500	83.50	Brookings
Sioux Printing, Inc.**	\$ 695,000	\$ 0	\$ 2,071,000	20.50	Sioux Falls
V & M Distributing, Inc.	\$ 172,000	\$132,141	\$ 404,000	7.00	Sioux Falls
1995					
APA Optics, Inc.*	\$ 600,000	\$ 0	\$ 7,575,000	106.00	Aberdeen
Joe L. Pires & Co. Dairy	\$ 623,000	\$507,226	\$ 3,782,311	22.00	Elkton
Performance Eng. & Mfg., Inc.***	\$393,304	\$ 0	\$ 2,340,083	42.00	Vermillion
Pires & Mederos Dairy*	\$ 485,000	\$ 0	\$ 2,558,825	14.00	Elkton
PPD (USA), Inc. V**	\$ 500,000	\$ 0	\$ 2,373,675	23.00	Madison
1996					
Farmers Plant Food, Inc.*	\$ 218,603	\$ 0	\$ 546,508	9.00	Summit
Bernard Van Vuuren, Inc.*	\$ 720,000	\$ 0	\$ 1,800,000	3.50	Corsica
Wildcat Manufacturing, Inc.*	\$ 224,700	\$ 0	\$ 1,016,750	38.00	Freeman

Company	Total Loan Amount	Loan Balance	Total Project Amount	Projected FTE Jobs	Community
1997					
Thompson Farms, Ltd.***	\$ 973,000	\$ 0	\$ 7,849,621	16.00	Letcher
Dealers Livestock Eq. Ctr., Inc.*	\$ 220,000	\$ 0	\$ 600,000	33.00	Mitchell
1998					
Shumaker Dairy, Inc.*	\$ 0	\$ 0	\$ 0	0.00	Humboldt
1999					
Shumaker Dairy, Inc.	\$ 545,815	\$ 516,387	\$ 1,704,602	8.00	Humboldt
L&D Properties, LLC	\$ 410,000	\$ 382,594	\$ 1,126,066	22.75	Tea
Turk Enterprises, LTD	\$ 560,000	\$ 520,564	\$ 1,511,741	29.75	Chamberlain
Badlands KOA	\$ 199,500	\$ 181,801	\$ 772,000	4.50	Interior
2000					
Cheyenne Ridge Outfitters*	\$ 493,574	\$ 0	\$ 1,645,249	9.00	Pierre
DTS, Inc.	\$ 948,000	\$ 936,362	\$ 1,963,000	10.00	Tea
Metalworks, LLC	\$ 493,000	\$ 479,100	\$ 1,480,000	6.50	Brookings
2001					
Divisional Foods, Inc.*	\$ 198,750	\$ 0	\$ 662,500	7.50	Sioux Falls
TLC Assisted Living Home, Inc.	\$ 185,000	\$ 181,391	\$ 540,000	4.00	Burke
2002					
Stanco Petroleum, Inc.	\$ 403,000	\$ 396,185	\$ 1,250,000	0.00	Pierre
Standard Aerospace, LLC*	\$ 451,675	\$ 0	\$ 1,290,500	41.00	Spearfish
Kroeplin Ag Center, Inc.	\$ 338,000	\$ 336,525	\$ 820,000	4.00	Blunt
2003					
B & R Feeds *****	\$ 92,000	\$ 0	\$ 230,000	2.00	Hermosa
Buryanek Bay Bunkhouse*****	\$ 83,000	\$ 0	\$ 267,789	2.00	Burke
CustomView Windows, Inc.*****	\$ 408,120	\$ 0	\$ 1,020,300	21.00	Rapid City
70 loans	\$24,848,481	\$7,198,186	\$104,987,856	1,464.50	

*****Not yet funded

*** Loans transferred to SBA

** Loans voluntarily prepaid

* Loans never approved by SBA or requested cancellation of the SBA authorization

**MICROLOAN SOUTH DAKOTA
PORTFOLIO SUMMARY**

Loan Activity

May 1999 - December 2003

Company	Total Loan Amount	Total Project Amount	Community
1999			
Belle Laundry & Dry Cleaning	\$ 20,000	\$ 150,000	Belle Fourche
Blessed Treasures	\$ 10,250	\$ 35,500	Pierre
Britton Lumber	\$ 20,000	\$ 41,980	Britton
Cahoy Gas and Service	\$ 20,000	\$ 71,600	Avon
Central Dakota Enterprises*	\$ 20,000	\$ 81,350	Wessington Springs
Cradles to Crayons	\$ 20,000	\$ 130,000	Pierre
Creative Images - Nicole	\$ 9,650	\$ 19,300	Kennebec
Dakota Toms	\$ 20,000	\$ 50,000	Corsica
Doug's Masonry*	\$ 10,000	\$ 20,000	Pierre
Healing Hands Massage	\$ 4,400	\$ 8,800	Pierre
Hitchcock Fuel & Repair	\$ 1,900	\$ 3,800	Hitchcock
Hodgens Engineering	\$ 8,550	\$ 17,100	Huron
Holt Brothers LLP*	\$ 13,750	\$ 52,500	Miller
Java Hills*	\$ 20,000	\$ 133,000	Spearfish
KD Cycle Supply	\$ 20,000	\$ 89,000	Mitchell
Midwest Cheese	\$ 20,000	\$ 65,000	Corsica
Moffenbier Enterprises	\$ 16,400	\$ 32,800	Aberdeen
Presho Flowers & Antiques	\$ 10,000	\$ 20,000	Presho
Rising Star Hydraulics	\$ 20,000	\$ 50,000	Watertown
Royal Sport Shop	\$ 20,000	\$ 84,096	Yankton
Sandstone Manor A/L	\$ 20,000	\$ 115,000	Spearfish
Schmieg's Salvage	\$ 2,750	\$ 5,500	Lake City
Sew Much Pride	\$ 8,500	\$ 17,000	Gettysburg
South Side Standard	\$ 20,000	\$ 105,000	Belle Fourche
Sun Gold Trophies	\$ 11,000	\$ 22,253	Mitchell
Taste-Buds	\$ 18,250	\$ 36,500	Sisseton
Tool Master Trailers	\$ 10,000	\$ 20,000	Spearfish
Weathered Vane Gifts	\$ 20,000	\$ 149,000	Rapid City
2000			
A & P Construction*	\$ 20,000	\$ 86,000	Summit
Addie's Mexican Imports	\$ 20,000	\$ 50,000	Sioux Falls
Anchors of Faith	\$ 16,000	\$ 48,000	Aberdeen
Andy's Appliance & Service	\$ 10,000	\$ 20,000	Chamberlain
Ardent Learning Center	\$ 20,000	\$ 108,000	Rapid City
B. Johnson - FedEx Ground	\$ 20,000	\$ 50,000	Pierre
Borrowed Light Photo*	\$ 20,000	\$ 61,500	Mobridge
Burke Building Center	\$ 20,000	\$ 123,000	Gregory
C & S Septic Service	\$ 8,750	\$ 17,500	Burke

Company	Total Loan Amount	Total Project Amount	Community
2000 (Con't.)			
Classic Collision & Frame	\$ 20,000	\$ 164,000	Menno
Countryside Manufacturing	\$ 20,000	\$ 61,500	Yankton
Deli Tracks Unlimited	\$ 17,500	\$ 50,000	Sioux Falls
Douglas County Publishing	\$ 20,000	\$ 77,000	Corsica
Evergreen Chem-Dry	\$ 20,000	\$ 40,000	Yankton
Fleming Electric	\$ 20,000	\$ 70,000	Armour
4th Street Mall	\$ 20,000	\$ 55,000	Geddes
Hair Expressions Salon	\$ 20,000	\$ 93,000	Chamberlain
Harrington Chiropractic	\$ 20,000	\$ 60,000	Dell Rapids
Hawaiian Sun / Laundry	\$ 20,000	\$ 199,000	Vermillion
Hood Electric*	\$ 12,000	\$ 32,150	Spearfish
In a Flash Photography	\$ 17,500	\$ 65,000	Watertown
James Valley Sawmill	\$ 13,250	\$ 26,500	Ashton
Jenny's Hair Designs	\$ 10,000	\$ 20,000	De Smet
Jephix, Inc.	\$ 12,600	\$ 45,200	Mitchell
Lila's Sewing & Embroidery	\$ 17,500	\$ 35,000	Ft. Pierre
M & R Signs	\$ 20,000	\$ 116,500	Pierre
Main Street Dance	\$ 5,000	\$ 10,000	Ft. Pierre
McGlashan Health Services	\$ 4,417	\$ 14,750	Rapid City
Medical Waste Transport	\$ 20,000	\$ 45,000	Sioux Falls
Monte's Wood Shop	\$ 8,500	\$ 17,000	Sioux Falls
Mr. D's Pub & Eatery	\$ 20,000	\$ 82,000	Tyndall
Novak Specialty	\$ 5,050	\$ 26,000	Hermosa
Outdoor Obsessions	\$ 18,000	\$ 44,000	Brookings
Pierre Street Emporium*	\$ 20,000	\$ 51,400	Pierre
Pizza Oven	\$ 20,000	\$ 110,000	Gregory
Playtime Day Care	\$ 10,000	\$ 20,000	Redfield
Printed Impressions	\$ 20,000	\$ 131,057	Freeman
Qtk, Incorporated*	\$ 10,000	\$ 20,000	Edgemont
Rosholt Floral & Gift	\$ 17,000	\$ 44,500	Rosholt
Stangl Sanitation	\$ 20,000	\$ 70,000	Watertown
Sturgis X-press Photo	\$ 15,000	\$ 30,000	Sturgis
T/D Custom Building	\$ 17,000	\$ 34,000	Wall
The Kids Depot	\$ 10,000	\$ 20,000	Watertown
The Little Red Hen	\$ 8,000	\$ 18,000	Mitchell
Totally Kids	\$ 5,000	\$ 10,081	Piedmont
Tropical Creations	\$ 12,500	\$ 25,000	Yankton
Village Florist	\$ 7,500	\$ 15,000	Howard
Werkmeister Welding	\$ 20,000	\$ 51,390	Armour
White Lake Plumbing	\$ 15,100	\$ 30,200	White Lake
Wood Awakenings	\$ 4,300	\$ 11,200	Webster

Company	Total Loan Amount	Total Project Amount	Community
2001			
Blunt Repair	\$ 15,000	\$ 30,000	Blunt
Bride & Groom Unlimited	\$ 20,000	\$ 80,531	Mitchell
Chancellor Cafe	\$ 20,000	\$ 177,240	Chancellor
Classic Leather Designs	\$ 19,300	\$ 38,600	Tea
Dean Christianson Ag	\$ 20,000	\$ 110,000	Watertown
Dr. Tricia Schwartz	\$ 15,000	\$ 30,000	Sioux Falls
Eddies Well Repair	\$ 20,000	\$ 43,000	Letcher
Flowers By Rose	\$ 20,000	\$ 175,000	Sturgis
Gregg's Automotive*	\$ 20,000	\$ 40,000	Yankton
Hill View Cafe	\$ 20,000	\$ 76,000	Edgemont
Holidaze	\$ 6,000	\$ 12,000	Pierre
Horse N Hound Feed	\$ 20,000	\$ 115,000	Sioux Falls
Lisa's Little Hands	\$ 20,000	\$ 120,000	Winner
Lonnie Garland	\$ 16,000	\$ 42,000	Pierre
Mailboxes & Parcel Depot*	\$ 20,000	\$ 90,000	Yankton
Main Stop Convenience	\$ 20,000	\$ 90,000	Scotland
Northern Hills Carpet	\$ 12,850	\$ 45,700	Spearfish
Northern Plains Animal	\$ 17,750	\$ 39,500	Aberdeen
Office Emporium	\$ 20,000	\$ 40,000	Belle Fourche
Parkston Electric	\$ 20,000	\$ 45,594	Parkston
Philip Custom Meats	\$ 11,000	\$ 22,000	Philip
Platte Title Company, Inc.	\$ 20,000	\$ 100,000	Platte
Profile	\$ 20,000	\$ 60,000	Yankton
Sweets & Antiques	\$ 20,000	\$ 50,000	Gregory
Tangles Hair and Nails	\$ 6,825	\$ 17,047	Flandreau
The Cutting Edge	\$ 20,000	\$ 71,222	Mitchell
The Dresser	\$ 14,000	\$ 28,000	Redfield
The Quilter's Quarters*	\$ 15,000	\$ 33,000	Tabor
Trailhead Rentals	\$ 13,500	\$ 33,000	Pierre
Wildeboer Tree Service	\$ 13,800	\$ 27,600	Canton
WindCity	\$ 20,000	\$ 50,000	Sioux Falls
Wolff's Wheel Alignment*	\$ 20,000	\$ 178,223	Lemmon
2002			
A & S Hardware	\$ 20,000	\$ 62,000	Webster
Anchors of Faith	\$ 5,000	\$ 10,000	Aberdeen
Big Dog Concrete	\$ 15,000	\$ 30,000	Mitchell
Bob Larson-Pfd Maint Tech	\$ 14,700	\$ 29,400	Lake Norden
Bright Beginnings*	\$ 20,000	\$ 90,000	Belle Fourche
Cup O' Joy	\$ 20,000	\$ 60,000	Dakota Dunes
D & L Service	\$ 20,000	\$ 80,000	Woonsocket
Dakota Satellite	\$ 10,250	\$ 24,500	Watertown
Eye Works, Inc.*	\$ 20,000	\$ 173,000	Rapid City
Exhaust Pro's of Huron	\$ 20,000	\$ 103,224	Huron

Company	Total Loan Amount	Total Project Amount	Community
2002 (Con't.)			
Grant VanZee	\$ 20,000	\$ 115,000	Corsica
JT Snacks	\$ 5,000	\$ 10,000	Spearfish
Kountry Laundromat	\$ 20,000	\$ 142,500	Waubay
Melissa Nedved*	\$ 15,800	\$ 40,000	Tyndall
Red Horse Cabins*	\$ 10,000	\$ 40,320	Mission
Weather Guard Urethane	\$ 20,000	\$ 47,000	Yankton
Webster Tire Service	\$ 20,000	\$ 53,500	Webster
Yellow Jacket Irrigation	\$ 12,000	\$ 30,000	Baltic
2003			
Advanced Chiropractic	\$ 20,000	\$ 148,800	Aberdeen
Curves For Women	\$ 12,925	\$ 31,850	Redfield
Gotta Hava Java	\$ 14,500	\$ 51,000	Aberdeen
Hollywood Box <i>Office</i>	\$ 20,000	\$ 61,500	Pierre
J-Rocks Electric	\$ 9,086	\$ 19,086	Parker
M & R Signs	\$ 3,600	\$ 9,291	Pierre
Prairie Wings Taxidermy*	\$ 6,700	\$ 23,400	Pierre
Robt Burke dba Cho. Sgn.	\$ 17,000	\$ 42,000	Pierre
Sanborn Weekly Journal**	\$ 20,000	\$ 56,000	Woonsocket
Scrappin' Ladies	\$ 20,000	\$ 81,000	Pierre
138 loans	\$2,170,453	\$8,105,125	

** Loans approved, but not yet funded

* Loans approved, but later withdrawn by applicant

The 138 approved applications are from 67 different communities.

Of the 138 applications that have been approved:

119 have been funded 18 have been
withdrawn 1 remains to be funded

The total MicroLOAN amount for those 138 approved applications is \$2,170,453. The total project costs for those same 138 applications is \$8,105,125. This creates averages of \$15,727 and \$58,732 respectively. The 119 loans that have been funded total \$1,845,613.86 or an average of \$15,509 per loan.